

MORTGAGE SERIES

Get in line with online rate comparison sites

Online research for choosing a mortgage is a trend in the right direction.

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Special to QMi Agency

In the market for a mortgage? Go with the trend — get online.

“More than eight out of 10 mortgage shoppers go online to research their mortgage. An overwhelming 96% say a low rate is important when choosing that mortgage,” says Robert McLister, founder of ratespy.com.

Rate comparison sites, which appear first on Google for key mortgage search terms, are the first stop for many mortgage shoppers, says McLister, who is also editor of canadianmortgagetrends.com.

“Rate sites have been a consumer Godsend by dramatically intensifying price competition. They do that by making rate comparisons quick, easy and accessible to all with an Internet connection. No longer can a lender or broker quote a subpar rate and not expect the consumer to find out,” he says.

“Literally millions of Canadians now benchmark their rate against a mortgage comparison site and this trend will only grow,” adds McLister.

He stresses rate sites aren't without their limitations.

Here are McLister's tips for using them wisely:



The best rate isn't always the best mortgage: Many low rates have restrictive conditions like extreme penalties for early termination, the inability to refinance elsewhere before maturity and/or limited prepayment privileges. Rate sites rarely disclose all the strings attached to the rates they list, so don't get excited about that impossibly low rate until you get the fine print.

The best rates often come with minimal service: The top mortgage planners in the country have good rates, but not the lowest rates. They can't discount as aggressively because they spend considerable time consulting with and crafting mortgage strategies for their

clients. If this is the personal service you crave, expect to pay a premium and don't expect to find these advisers leading the rate sites.

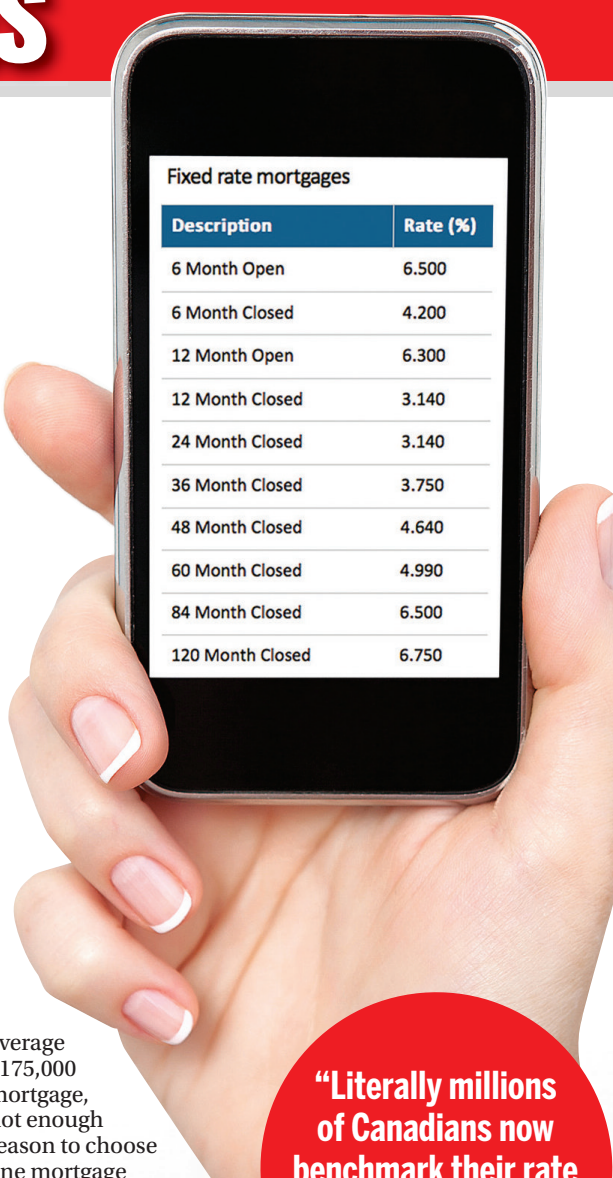
You'll rarely see the whole picture:

Most rate sites depend on charging brokers and lenders to display their rates. If those mortgage providers don't pay, their rates don't appear. That does consumers a disservice because they never see some of the best available rates. “Incidentally, we recognized this problem four years ago and it's why RateSpy.com was created. It remains the only source in Canada to compare rates from every bank, credit union, trust company, insurance company, wholesale

lender and major online broker in the country — hundreds more options than its nearest competitor. When it comes to mortgages, choice and savings are tightly correlated.”

Don't let a few basis points fool you:

Our research shows that the lowest rate generates over twice as many leads than the second lowest rate. “Yet, the lowest rate is often just a few basis points (0.01% to 0.03%) below the second best rate. That's just \$2.69 a month difference on the



Description	Rate (%)
6 Month Open	6.500
6 Month Closed	4.200
12 Month Open	6.300
12 Month Closed	3.140
24 Month Closed	3.140
36 Month Closed	3.750
48 Month Closed	4.640
60 Month Closed	4.990
84 Month Closed	6.500
120 Month Closed	6.750

average \$175,000 mortgage, not enough reason to choose one mortgage over the other.

Superior features, flexibility, service and advice almost always outweigh such small upfront price differences.”

“Literally millions of Canadians now benchmark their rate against a mortgage comparison site.”

You're richer
than you think.

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